Amendments to the claims are reflected in the listing of claims that beings on page 3 of this paper.

Remarks/Arguments begin on page 11 of this paper.

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Amendments to the Claims:

This listing of claims will replace all prior versions and listings of claims in this application:

1.   (Original) In a financial transaction payment system comprising a processing unit and an application program executing on said processing unit, a method of conducting a transaction, comprising:

engaging in said transaction using a financial transaction card, said financial transaction card having associated therewith a financial account with a financial institution, and said financial transaction card further having associated therewith one or more transaction criteria; and

selecting, by said application program, a type of loan to be activated on said financial account in order to pay for the transaction, wherein said type of loan is selected, based on said one or more transaction criteria, from among a plurality of loan types including a loan type having a primary payment procedure and a loan type having an installment loan payment procedure.

2.   (Original) The method of claim 1, wherein said financial account has an associated available installment loan credit amount, and further comprising the step of determining by said application program whether the amount of said transaction is greater than said available installment loan credit amount.

3.   (Original) The method of claim 2, further comprising the step of decreasing by said application program the available installment loan credit amount by the amount of the transaction if the amount of said transaction is less than or equal to said available installment loan credit amount.

4.   (Original) The method of claim 1, wherein said financial transaction card has associated therewith a primary financial payment function other than activating an installment loan.

5. (Original) The method of claim 4, wherein said primary financial payment function is a credit payment function.

6. (Original) The method of claim 4, wherein said primary financial payment function is a debit payment function.

7. (Original) The method of claim 4, further comprising the step of processing said transaction by said application program in accordance with said primary financial payment function if said transaction does not activate an installment loan on said financial account.

8. (Original) In a financial transaction payment system comprising a processing unit and an application program executing on said processing unit, a method of authorizing a transaction between a consumer and a merchant, said consumer having a financial transaction card issued by a financial institution, said financial transaction card having associated therewith a financial account with said financial institution, one or more transaction criteria, a primary financial payment processing procedure, and an installment loan processing procedure, said method comprising the step of processing an authorization request by said application program using said primary financial payment processing procedure or said installment loan processing procedure depending on said transaction criteria.

9. (Original) The method of claim 8, further comprising the step of requesting authorization by said merchant from a financial transaction card processing entity that is in electronic communication with said financial institution before said step of processing.

10. (Original) The method of claim 8, wherein said financial account has an associated available installment loan credit amount, and wherein said installment loan processing procedure comprises determining whether the amount of said transaction is greater than said available installment loan credit amount.

11. (Original) The method of claim 10, wherein said installment loan processing procedure further comprises decreasing the available installment loan amount by the amount of the transaction if the amount of said transaction is less than or equal to said available installment loan credit amount.

12.   (Original) The method of claim 8, wherein said primary financial payment processing procedure is a credit payment processing procedure.

13.   (Original) The method of claim 8, wherein said primary financial payment processing procedure is a debit payment processing procedure.

14.   (Original) The method of claim 8, further comprising the steps of:

capturing by said merchant said transaction if an authorization is received in response to said authorization request; and

transmitting by said merchant said captured transaction to a financial transaction card processing entity.

15.   (Original) The method of claim 14, further comprising the step of settling said transaction by said financial transaction card processing entity with said merchant and said financial institution.

16.   (Canceled) In a financial transaction payment system having a processing unit, an application being executed thereon, and a memory unit coupled to said processing unit, a method of setting up an account associated with a financial transaction card of a consumer to enable said consumer to activate one or more installment loans with said financial transaction card for the payment of one or more transactions, said method comprising the steps of:

storing by said application program in said memory unit a credit limit for said one or more installment loans that may be activated with said financial transaction card; and

storing by said application program in said memory unit one or more activation criteria for said one or more installment loans that may be activated with said financial transaction card.

17.   (Currently amended) <u>In a financial transaction payment system having a processing unit, an application being executed thereon, and a memory unit coupled to said processing unit, a method of setting up an account associated with a financial transaction card of a consumer to enable said consumer to activate one or more installment loans with said financial transaction card for the payment of one or more transactions, said method comprising the steps of:</u>

storing by said application program in said memory unit a credit limit for said one or more installment loans that may be activated with said financial transaction card;

storing by said application program in said memory unit one or more activation criteria for said one or more installment loans that may be activated with said financial transaction card ; and

~~The method of claim 16, further comprising the step of~~ storing by said application program in said memory unit payment terms for said one or more installment loans that may be activated with said financial transaction card.

18.   (Currently Amended) In a financial transaction payment system having a processing unit, an application being executed thereon, and a memory unit coupled to said processing unit, a method of setting up an account associated with a financial transaction card of a consumer to enable said consumer to activate one or more installment loans with said financial transaction card for the payment of one or more transactions, said method comprising the steps of:

storing by said application program in said memory unit a credit limit for said one or more installment loans that may be activated with said financial transaction card;

storing by said application program in said memory unit one or more activation criteria for said one or more installment loans that may be activated with said financial transaction card; and

~~The method of claim 16, further comprising the step of~~ storing by said application program in said memory unit an available credit amount for said one or more installment loans that may be activated with said financial transaction card.

19.   (Previously presented) In a financial transaction payment system having a processing unit, an application program being executed thereon, a memory unit coupled to said processing unit, a method of preparing a statement for transactions conducted using a financial transaction card and stored in said memory unit, said transactions being purchases associated with either a primary financial payment procedure or an installment loan payment procedure, said method comprising the steps of:

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determining by said application program the totals of said transactions associated with said primary financial payment procedure;

determining by said application program the totals of said transactions associated with said installment loan payment procedure; and

printing by said application program said totals of said transactions associated with said primary financial payment procedure and said totals of said transactions associated with said installment loan payment procedure on said statement.

20.   (Original) In a financial transaction payment system having a processing unit, an application program being executed thereon, and a memory unit coupled to said processing unit, a method of processing a payment for a financial transaction card account, said financial transaction card account having an associated installment loan balance and an associated credit balance, said method comprising the steps of:

determining by said application program whether said payment is less than said installment loan balance; and

processing by said application program a cash advance against said credit balance equal to said difference between said payment and said installment loan balance, if said payment is less than said installment loan balance.

21.   (Original) A financial transaction payment system for processing a transaction conducted using a financial transaction card, said financial transaction card having associated therewith a financial account with a financial institution, and said financial transaction card further having associated therewith one or more transaction criteria, said system comprising:

a processing unit;

an application program for execution on said processing unit; and

means for selecting, by said application program, a type of loan to be activated on said financial account in order to pay for the transaction, wherein said type of loan is selected, based on said one or more transaction criteria, from among a plurality of loan types including a loan type having a primary payment procedure and a loan type having an installment loan payment procedure.

22.   (Original) The financial transaction payment system of claim 21, wherein said financial account has an associated available installment loan credit amount, and further comprising means for determining by said application program whether the amount of said transaction is greater than said available installment loan credit amount.

23.   (Original) The financial transaction payment system claim 22, further comprising means for decreasing by said application program the available installment loan credit amount by the amount of the transaction if the amount of said transaction is less than or equal to said available installment loan credit amount.

24.   (Original) The financial transaction payment system of claim 21, wherein said financial transaction card has associated therewith a primary financial payment function other than activating an installment loan.

25.   (Original) The financial transaction payment system of claim 24, wherein said primary financial payment function is a credit payment function.

26.   (Original) The financial transaction payment system of claim 24, wherein said primary financial payment function is a debit payment function.

27.   (Original) The financial transaction payment system of claim 24, further comprising means for processing said transaction by said application program in accordance with said primary financial payment function if said transaction does not activate an installment loan on said financial account.

28.   (Original) A financial transaction payment system for authorizing a transaction conducted with a financial transaction card issued by a financial institution, said financial transaction card having associated therewith a financial account with said financial institution, one or more transaction criteria, a primary financial payment processing procedure, and an installment loan processing procedure, the system comprising:

a processing unit;

an application program for execution on said processing unit; and

means for processing an authorization request from a merchant by said application program using said primary financial payment processing procedure or said installment loan processing procedure depending on said transaction criteria.

29.   (Original) The financial transaction payment system of claim 28, wherein said financial account has an associated available installment loan credit amount, and wherein said installment loan processing procedure comprises determining whether the amount of said transaction is greater than said available installment loan credit amount.

30.   (Original) The financial transaction payment system of claim 29, wherein said installment loan processing procedure further comprises decreasing the available installment loan amount by the amount of the transaction if the amount of said transaction is less than or equal to said available installment loan credit amount.

31.   (Original) The financial transaction payment system of claim 28, wherein said primary financial payment processing procedure is a credit payment processing procedure.

32.   (Original) The financial transaction payment system of claim 28, wherein said primary financial payment processing procedure is a debit payment processing procedure.

33.   (Original) A financial transaction payment system for setting up an account associated with a financial transaction card of a consumer to enable said consumer to activate one or more installment loans with said financial transaction card for the payment of one or more transactions, comprising:

a processing unit;

an application for execution on said processing unit;

a memory unit coupled to said processing unit;

means for storing by said application program in said memory unit a credit limit for one or more installment loans that may be activated with said financial transaction card; and

means for storing by said application program in said memory unit one or more activation criteria for said one or more installment loans that may be activated with said financial transaction card.

34.	(Original) The financial transaction payment system of claim 33, further comprising means for storing by said application program in said memory unit payment terms for said one or more installment loans that may be activated with said financial transaction card.

35.	(Original) The financial transaction payment system of claim 33, further comprising means for storing by said application program in said memory unit an available credit amount for said one or more installment loans that may be activated with said financial transaction card.

36.	(Previously presented) A financial transaction payment system for processing transactions conducted using a financial transaction card, said transactions being purchases associated with either a primary financial payment procedure or an installment loan payment procedure, comprising:

a processing unit;

an application program for execution on said processing unit;

means for determining by said application program the totals of said transactions associated with said primary financial payment procedure;

means for determining by said application program the totals of said transactions associated with said installment loan payment procedure; and

means for printing a statement by said application program, said statement comprising said totals of said transactions associated with said primary financial payment procedure and said totals of said transactions associated with said installment loan payment procedure.

37.	(Original) A financial transaction payment system for processing a payment or a financial transaction card account, said financial transaction card account having an associated installment loan balance and an associated credit balance, comprising:

a processing unit;

an application program for execution on said processing unit;

means for determining by said application program whether said payment is less than said installment loan balance; and

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means for processing by said application program a cash advance against said credit balance
equal to said difference between said payment and said installment loan balance, if said payment
is less than said installment loan balance.

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